

CHAPTER 26

★AUTOMATED TELLER MACHINE (ATM) SYSTEM★2601 THE ATM SYSTEM

The ATM System is a pay delivery system aboard Naval ships and at selected installations which accepts an electronic transfer of net pay and allowances due to each account holder. Account holders can then withdraw the funds at ATMs located on the ship or installation in the same manner as account holders withdraw funds from their personal bank accounts through ATMs. This chapter prescribes the mandatory disbursing policy and procedures for maintaining accountability for the funds in the ATM system. Detailed procedures for operation and maintenance of the system are contained in the ATM Users Documentation and Student Training Manual provided with the system.

2602 ATM FUNDS ACCOUNTABILITY

260201. General. Funds within the ATM system are the personal funds of the individual members, afloat units, or private organizations who have established ATM accounts. When funds are deposited into the accounts, the DO assumes accountability for these funds. The DO then maintains custody of the funds for all account holders in accordance with this chapter.

★260202. Loss of Funds. The DO is accountable for all funds on deposit in the ATM accounts. Any shortage of funds that is discovered when balancing the system during an end-of-session for ships or daily for installations (including all ATM shortages which occur as a result of an ATM dispense error) shall be handled as a physical loss of funds as prescribed in chapter 06 of this Volume. The DO or accountable deputy or agent may request relief of liability for the loss as provided in chapter 06 of this Volume. The DO shall retain copies of all documents that would substantiate the loss of funds. If any account holder has funds withdrawn from the account due to the negligence of the card owner (such as when an ATM card is stolen and the card owner wrote the personal identification number (PIN) on the card), the DO is not accountable for the loss. The account holder may attempt to recover the loss by filing a claim for

loss or damage of personal property as prescribed in the Manual of the Judge Advocate General.

★260203. Overage of Funds. Any overage of funds discovered when balancing the system during an end-of-session for ships or daily for installations (including all ATM overages which occur as a result of an ATM dispense error) shall be handled as prescribed in chapter 06 of this Volume for overages. The DO shall retain copies of all documents that would substantiate the overage of funds.

2603 ATM SECURITY

★260301. ATM Physical Security. The ATMs are considered to be safes. The security instructions regarding the use of safes in chapter 03 of this Volume shall be followed except that ATM TL-15 safes are authorized to hold \$130,000 vice the \$50,000 normally authorized for TL-15 safes. The ATMs shall be installed in well lighted, heavily traveled spaces. The ATMs may be alarmed and video surveillance cameras installed to deter unauthorized entry at the ship or installation commander's discretion. The ATMs do not have a self-contained alarm system, but have an alarm that may be connected to an existing ship or installation security alarm system, if available. Since ATMs require moving large amounts of cash about the ship or installation, all security instructions in chapter 03 of this Volume regarding protection of currency in transit shall be followed. Each ATM shall be in the custody of the DO or a deputy, agent, or cashier who currently maintains a safe in the disbursing office. This person shall be responsible for balancing and replenishing the cash in the ATM. Only this person shall know the combination to the ATM safe. Keys that are used to gain access to any compartment of the ATMs or cash canisters shall be kept in the DO's safe at all times when not in use. Their use by any person other than the DO shall be recorded in a log showing the date, time and signature of the person to whom the keys are released and the date and time of their return.

★260302. Passwords and Security Levels. The DO is responsible for assigning password security levels and all responsibilities associated with maintaining proper password security. The DO shall assign each member of the disbursing office involved with the ATM system in any manner, the appropriate password security level. The functions permitted by each of the password security levels for the ATM at Sea system are provided in table 26-1. The DO shall be assigned the master password security level which allows access to everything related to the operation of the ATM at Sea system with the exception of discovering the other users' passwords or account holders' PINs. After the DO assigns the appropriate password security level, each member of the disbursing office involved with the ATM at Sea system shall secretly choose a password via the ATM terminal. This password shall allow the operator access to the ATM system to perform the functions authorized by the assigned security level. The system shall recognize the operator and record all transactions performed. Passwords shall be changed every six months, when disbursing office duties are changed, or when an operator believes a password has been compromised. Under no circumstances shall any system operator passwords be written anywhere, placed in a sealed envelope, or be known to any other person.

2604 DISBURSING OFFICER RESPONSIBILITIES

260401. Letters of Appointment. All personnel who are required in the performance of their official duties to gain access to the ATM system, the ATMs, or handle cash in connection with the ATMs, shall be appointed by the DO in writing. The letter of appointment shall list the specific duties which the individual is authorized to perform. Authority to perform ATM tasks shall be limited to only the appointed duties. The appointment shall be endorsed with the appointee's acknowledgment of acceptance of the duties. Potential appointees include, but are not limited to, deputies, agents, and cashiers. Personnel appointed as custodians of ATMs and responsible for balancing and replenishing the cash in ATMs are accountable for public funds under the same provisions as prescribed for the DO, deputies, agents, and cashiers.

260402. Custody of Blank ATM Cards. The DO is responsible for maintaining proper custody of all blank ATM cards. The ATM cards shall be safeguarded as prescribed in chapter 07 of this Volume for blank Treasury checks. The DO may delegate the responsibility for custody of blank ATM cards to a deputy DO. This delegation must be made in writing. The DO or designated deputy shall maintain a bulk ATM card log which contains the ATM card number, name, date and signature of the person to whom working stock of blank ATM cards are issued. Unused working stock shall be returned to the DO or deputy at the end of each day. All blank ATM cards shall be inventoried at the end of every month and an entry made in the bulk ATM card log to document the inventory.

260403. Issue of ATM Cards. The DO may delegate the authority to issue ATM cards when new accounts are opened. This delegation of authority shall be made in writing. When blank cards are issued to this authorized individual, an entry shall be made in the bulk ATM card log as prescribed in the previous paragraph. The individual authorized to issue individual ATM cards shall maintain a separate card issue log containing the card number, name and SSN of card owner, issue date, signature of the recipient, date destroyed, and the name and signature of the issuer.

260404. Disbursing Office Instructions. The DO shall include ATM operating and security procedures in local written disbursing office instructions. Included in the ATM operating procedures are payroll preparation, transfer, and balancing procedures; special payment procedures; ATM replenishment procedures; ATM balancing procedures; ATM card issue procedures; and, ATM card turn-in procedures. The DO shall also include the ATM security procedures in the ship or installation security instructions.

2605 ATM ACCOUNTS

260501. Establishing ATM Accounts

A. Initial ATM Card Issue When ATM System Is Installed. Before the first ATM payday, authorized disbursing personnel shall establish an ATM account and issue an ATM card and PIN to all members who will be using

the ATMs. For this initial payday only, the ATM system shall automatically assign a card number to each member who is in the payroll file transferred from the payroll system to the ATM system. The DO shall ensure that each member personally receives and signs for his or her own ATM card. The DO shall also ensure that each member is positively identified and signs the ATM Card Report when receiving the ATM card.

B. New Accounts. After the initial ATM payday when all account holders that have ATM accounts have had their accounts established, there will be a need to establish accounts for newly reported personnel, personnel participating in DD/EFT desiring to participate in the ATM program under the split-pay option, or personnel who lose their ATM card or forget their PIN. The DO shall include procedures for opening new accounts in the official disbursing office instructions. Any cards issued after the initial distribution shall be recorded in the individual ATM card issue log as described in paragraph 260403 above. Authorized disbursing personnel shall add the card issue information to the ATM system via the Establish Account function of the system (except for the initial card issue prior to the first payday which is generated by the ATM system). Also, as described earlier, the DO must delegate in writing the authority to establish new ATM accounts.

★260502. Closed and Suspended Accounts. When account holders transfer from the activity (permanent change of station, discharge, etc.) or depart for an extended period of temporary duty (temporary duty of sufficient duration that the member will be dropped from the ship or installation payroll and included on the payroll of the temporary duty station), the ATM account shall be closed. Cards of transferring account holders shall be recovered and destroyed. An entry shall be made in the ATM card issue log to reflect the account holder's transfer and destruction of the card. Also, an entry shall be made in the ATM Card Report to indicate date and card destroyed. The ATM accounts of unauthorized absentees shall be suspended immediately (placed on hold). Deposits and withdrawals are not authorized while the account is in a suspended status. The appropriate reason for suspending the account shall also be annotated. The account shall remain in suspended status until the member has been officially reported as returned from

unauthorized absence on the daily muster report and all appropriate deductions and adjustments have been made to the member's pay account. If an unauthorized absentee is declared a deserter, all funds in the member's account shall be credited to the member's MMPA using the account adjustment procedures and the account shall be closed.

★2606 ATM AT SEA SYSTEM SUSPENSE ACCOUNT

★260601. ATM at Sea Account Transactions. All transactions in the individual ATM accounts on ships (payroll transfers, deposits, withdrawals, and adjustments) are processed through a special suspense account entitled Suspense, Navy 17X6875.ATMS. The DO is responsible for maintaining an exact accounting of the funds in this suspense account. The DO shall maintain DD Form 2670, Automated Teller Machine (ATM) Ledger for the suspense account as shown in figure 26-1. The DD Form 2670 shall list all ATM deposit and withdrawal transactions (payroll transfers, deposits, withdrawals, and adjustments) and the current balance of the suspense account. The DD Form 2670 represents the DO's accountability within the ATM at Sea system in the same manner that the DD Form 2657 and the SF 1219 represent the DO's daily and monthly accountability to the Treasury. The DO shall update DD Form 2670 every time the ATM at Sea system is balanced (end-of-session). Any difference between the balance in the suspense account (which must be the same amount as the ending balance of the Grand Total Terminal Balance Report) and the total of the individual ATM accounts (account file balance) shall be considered either a physical loss or an overage of funds. If the ending balance is less than the account file balance, then a physical loss of funds exists. If the ending balance is more than the account file balance, then an overage of funds exists. Losses and overages of funds are irregularities in the DO's account and shall be reported and processed as prescribed in chapter 06 of this Volume.

★260602. Quarterly ATM at Sea Suspense Account Report. A quarterly ATM suspense account report shall be submitted to the respective DAO, FIPC prior to the 15th calendar day of the month following the end of each quarter. The ending balance shown on the report must agree

with the balance shown in the DD Form 2670 as of the end of the quarter. Any discrepancies shall be investigated and corrected prior to submission of the report, if practicable. If a discrepancy requires a correcting transaction in the current quarter, or if investigation of the discrepancy is not complete, an explanation of the discrepancy shall be included on the report. The quarterly ATM suspense account report shall be signed by the DO and shall contain the DSSN assigned to the activity; balance in the suspense account at the beginning of the quarter; total amount of collections (deposits) to the suspense account with subtotals for each month of the quarter; total amount of disbursements (withdrawals) from the suspense account with subtotals for each month of the quarter; balance in the suspense account at the end of the quarter; and, the signed certification: "I certify that the balance reported herein is in agreement with the DD Form 2670 maintained as prescribed by DoD Financial Management Regulation, Volume 5, Chapter 26." Figure 26-2 is provided as an example of a quarterly ATM suspense account report.

★2607 BALANCING THE ATM SYSTEM

★260701. General Requirements. Complete balancing and reconciliation of the ATM at Sea system shall be accomplished **NOT** less frequently than: once each week; immediately before and after each payday; the last day of each month; and, at any other time when the DO suspects that an irregularity or system malfunction has occurred for the ATM at Sea System. Complete balancing and reconciliation of the ATM system shall be accomplished daily for all land installations. Balancing is accomplished by generating specific ATM system reports (referred to as end-of-session/daily reports); counting the cash on hand; replenishing the ATM cash canisters; collecting the ATM Journal Tapes and Receipt Printer Tapes; and comparing the cash on hand and/or suspense account balance to the system generated reports. The ATM Journal Tapes and Receipt Printer Tapes shall be retained for a period of 3 months after which they may be destroyed if no longer needed to resolve an ATM out-of-balance condition or to document an ATM pay discrepancy. During the report generation process, the ATM system is shut down. The DO must pay close attention to this process and accomplish the ATM balancing expeditiously

in order to avoid the perception that the system is out of order, which results in an inconvenience to the account holders as well as a loss of faith in the system's ability to secure and deliver their cash on an around-the-clock basis. With proper planning, generating the reports will become a routine function and should not interfere with the account holders' cash withdrawal habits.

★260702. Balancing Deputies, Agents, and Cashiers. Agents (deputies, agents, or cashiers) appointed as custodians of ATMs and agents appointed to perform ATM Terminal 99 functions for the ATM at Sea System shall be balanced as a part of the ATM balancing process. While the end-of-session for the ATM at Sea System report generation process is running, each individual appointed as a custodian of an ATM shall: retrieve the cash canisters from the ATM; return to the disbursing office, count the cash in the canisters, and prepare a DD Form 2672, ATM Cash Balance Sheet (see figure 26-3); replenish the cash in the canisters, if necessary; and, return the cash canisters to the ATM. The DO shall compare the DD Forms 2672 with the Grand Total Terminal Balance Report to ensure that the cash dispensed (as indicated by the report) is in agreement with the actual cash dispensed (as verified by actual count of the remaining cash in the canisters and subtracting this amount from the beginning cash balance loaded in the canisters during the previous end-of-session). If the agents' cash balances are not in agreement, the Terminal Balance Report shall be generated for the terminal or terminals involved to locate and correct the error. A copy of the DD Forms 2672 shall be attached to the retained copy of the SF 1034 or DD Form 117, Payroll Voucher, as appropriate, prepared to voucher the ATM transactions as prescribed in paragraph 260802 or section 2609 of this chapter, as appropriate. The original of the DD Forms 2672 shall be attached to the agents' daily accountability summary prescribed by chapter 19 of this Volume. To document the daily ATM at Sea Terminal 99 transactions which affect agents' cash balances, the DD Form 2671 (figure 26-4) shall be used. A copy of the DD Form 2671 shall be attached to the retained copy of the voucher prepared for Terminal 99 transactions as prescribed in paragraphs 260801.A and 260802.A of this chapter. The original of the DD Form 2671 shall be attached to the agent's daily accountabil-

ity summary prescribed by chapter 19 of this Volume.

★260703. End-of-Session Reports for the ATM at Sea System. End-of-Session is the process used to balance the ATM system and backup all data files and records. The backup tapes created during the end-of-session shall be kept in an office or space other than the disbursing office. A current backup copy would then be available from which to reconstruct the ATM accounts in the event fire or other catastrophe causes the loss of the current system data base. The end-of-session process can generate five reports to facilitate system balancing. Four of the reports (Grand Total Terminal Balance Report, Dispense Error Transaction Report, Disbursing Office Deposit Audit Report, and Excessive Activity Report) are mandatory and shall be generated during every end-of-session process. The fifth report (Terminal Balance Report) shall be generated as needed to resolve out-of-balance conditions.

A. Grand Total Terminal Balance Report. The Grand Total Terminal Balance Report provides all terminal summary totals required for ATM system balancing. The report shows by terminal the total deposits, DO withdrawals (Terminal 99), ATM withdrawals, and ATM adjustments. It also shows the grand total of all transactions since the previous end-of-session. The report provides an ATM system summary by indicating the beginning balance, the ending balance, and the monetary difference between the beginning and ending balance. This monetary difference must be equal to the grand total of all transactions since the previous end-of-session or the system is out-of-balance. The Grand Total Terminal Balance Report also provides the monetary balance of the account file (the total of the individual accounts). The account file balance and the ending balance must be the same. Note that these two balances must also equal the ATM at Sea suspense account balance shown in the DD Form 2670. Error messages and out-of-balance alerts are also printed on the report when the system detects an out of balance condition. Differences in the ending balance and the account file balance shall be accounted for as physical losses or overages of funds as described below. The Grand Total Terminal Balance Report shall be retained in a

separate file for a period of 1 year, then destroyed if no longer needed.

1. Physical Loss. If the ending balance is less than the account file balance, the resulting loss of funds shall be vouchered on a DD Form 1131 with credit to Suspense, Navy 17X6875.ATMS. The ending balance in the ATM system shall then be increased by the amount of the loss to ensure that the ending balance and account file balance are equal. The DD Form 1131 shall be recorded in the DD Form 2670. The DD Form 1131 shall also be recorded in the DD Form 2657 as a reimbursement (line 4.1E) and a loss of funds (line 7.3). The procedures in chapter 06 of this Volume for reporting and requesting relief of liability for physical losses apply.

2. Overage. If the ending balance is more than the account file balance, the resulting overage of funds shall be vouchered on an SF 1080 charging Suspense, Navy 17X6875.ATMS and crediting Budget Clearing Account, Navy 17F3875. The ending balance in the ATM system shall then be decreased by the amount of the overage to ensure that the ending balance and account file balance are equal. The SF 1080 shall be recorded in the DD Form 2670. The SF 1080 shall also be recorded in the DD Form 2657 as a gross disbursement (line 4.1A) and a receipt (line 4.1D). The procedures in chapter 06 of this Volume for reporting overages apply.

B. Dispense Error Transaction Report. The Dispense Error Transaction Report is used to track possible dispense errors. When the report indicates possible dispense errors, the DO shall print the Terminal Balance Report for the indicated terminal(s) and compare the ATM Journal Tapes to the Terminal Balance Report to resolve the error. The report shall be retained by the DO as necessary to document dispense errors and support requirements for ATM maintenance and/or repairs.

C. Disbursing Office Deposit Audit Report. The Disbursing Office Deposit Audit Report lists all deposits made at the disbursing office (Terminal 99) since the previous end-of-session. The report shall be attached to the retained copy of the corresponding DD Form

1131 prepared as prescribed in paragraph 260801.A of this chapter.

D. Excessive Activity Report. The Excessive Activity Report lists the transactions made by a particular account holder if that account holder has made five or more transactions since the previous end-of-session. The report could indicate equipment malfunction based on a pattern of irregularity or could indicate that account holders are experiencing difficulty in performing some functions. The report shall be retained by the DO as required to document unusual, irregular, or potentially fraudulent transactions made by an account holder.

E. Terminal Balance Report. The Terminal Balance Report lists all transactions performed on each ATM. The report can be generated for all terminals or for a selected terminal or terminals. The Terminal Balance Report shall be generated as necessary to locate and resolve out-of-balance conditions on the DD Forms 2672 and to locate and correct possible dispense error transactions as indicated on the Dispense Error Transaction Report. After balancing the Terminal Balance Report with the DD Forms 2672 and resolving dispense errors, the report shall be attached to the Grand Total Terminal Balance Report for retention.

★260704. End of Day Balancing for Land Installations. The end of day balancing is the process used to balance the ATM system and backup all data files and records. When funds are removed from the ATM a printout is obtained from each ATM which shows the remaining bill in each canister. The designated deputy will total the remaining bills listed on the printout to arrive at the total amount of funds that should be on hand. A cashier shall count the funds from each container in the presence of the deputy. The total should equal the predetermined amount. At this time the amount is subtracted from the total amount loaded in the morning. This gives the total amount paid. The Training Military Pay Section (TMPS) will do an end of day procedure which will generate payment listings to support payments made through the ATMs for that day. The listings indicate name, Social Security Number, and amount paid as well as total amount paid to all individuals. The total of the listings prepared must equal the amount arrived at earlier by the deputy and

cashier. Differences in the ending balance and the payment listings shall be accounted for as physical losses or overages of funds as described below.

A. Physical Loss. If the ending balance is less than the payment listing, the resulting discrepancy shall be considered as a physical loss of funds. The procedures in chapter 06 of this Volume for reporting and requesting relief of liability for physical losses apply.

B. Overage. If the ending balance is more than the payment listing, the discrepancy shall be considered as an overage of funds. The procedures in chapter 06 of this Volume for reporting overages apply.

★2608 VOUCHERING ATM AT SEA SYSTEM TRANSACTIONS

★260801. Deposits to the ATM at Sea System Accounts. All deposits to individual ATM at Sea system accounts (including the transfer of funds from the payroll account each payday) shall be credited (collected) to Suspense, Navy 17X6875.ATMS. Except as prescribed below for certain ATM account adjustments, collections to the ATM suspense account shall be vouchered using DD Form 1131. A DD Form 1131 shall be prepared after every end-of-session for the ATM at Sea system to voucher deposits to ATM accounts and the concurrent increase to the ATM suspense account since the previous end-of-session. To substantiate the semimonthly regular payroll, a payroll voucher and a Treasury exchange-for-cash check made payable to the DO for the total amount of the payroll shall be prepared. The payroll voucher and Treasury check shall be recorded on the DD Form 2657 in the normal manner as a Check Issue on line 2.1A and a Gross Disbursement on line 4.1A. Depending on the payroll system used by the ship, the Treasury check is either prepared automatically by the payroll system terminals in the disbursing office or by the automated data processing division. The Treasury check shall be deposited in the normal manner prescribed in chapter 05 of this Volume for Treasury checks. Transfer of the payroll funds to the individual ATM at Sea accounts and the concurrent increase to the ATM suspense account shall be vouchered on a DD Form 1131 crediting the ATM suspense account for the total amount of the ATM payroll.

All collection vouchers processed to account for deposits to the individual ATM accounts shall be recorded in the DD Form 2670 and shall be included in the DO's accountability on the DD Form 2657 as a Reimbursement on line 4.1E and as an increase to U.S. Currency on Hand on line 6.2A.

A. Terminal 99 Deposit Transactions for ATMs at Sea. The ATM at Sea system does not permit account holders to make deposits to their accounts at the ATMs. Therefore, all ATM deposit transactions must be conducted at the disbursing office. Generally, the best method for individual deposit transactions is to permit account holders to conduct deposit activities during normal check cashing hours. The agent (deputy, agent, or cashier) appointed to perform these deposit transactions should be assigned password security level 2 access in order to complete the entire transaction without assistance from the DO or deputy. The agent shall maintain DD Form 2671, Disbursing Office ATM Cash Transaction Ledger as shown in figure 26-4. To perform a Terminal 99 deposit, the appointed agent accepts money (in whole dollar amounts only) from the account holder, enters the deposit on Terminal 99, records the entry on DD Form 2671, and gives the depositor a journal receipt. All Terminal 99 deposits shall appear on the end-of-session reports. A DD Form 1131 shall be prepared to voucher the total Terminal 99 deposits after every end-of-session report. The DD Form 1131 shall include an explanation of the purpose of the voucher (e.g. Terminal 99 Deposits). The DD Form 1131 shall be recorded in the DD Form 2670 and shall be included in the DO's accountability on DD Form 2657 as a Reimbursement on line 4.1E and as an increase to U.S. Currency on Hand on line 6.2A.

B. ATM at Sea Payroll Transfer Verification. Generally, payroll processing must begin at least 5 working days prior to the scheduled payday. This is to ensure that any problems encountered can be identified and corrected before payday. The payroll system will print an ATM participation report which lists all members whose pay will be downloaded to the ATM at Sea system. The ATM participation report shall be verified to ensure that the pay for DDS participants, discharged and transferred account holders, and unauthorized absentees **WILL NOT** be downloaded to the ATM at Sea system. After

the verification has been accomplished, the payroll processing can be completed. Payrolls should be transferred to the ATM at Sea system at least 3 working days before the scheduled payday. Here again, this ensures problems encountered in the transfer process can be identified and corrected before payday. When the payroll transfer has been completed, the ATM at Sea system's Payroll Audit Report shall be printed and verified to ensure the correct total for the payroll has been transferred. If there is any correction to be made, a payroll adjustment transaction shall be accomplished by the DO. The payroll funds transfer shall be vouchered on a DD Form 1131 crediting the ATM at Sea suspense account for the amount of the deposit. The DD Form 1131 shall include an explanation of the purpose of the voucher (e.g. ATM Deposit, Payroll No. 123). The DD Form 1131 shall be recorded in the DD Form 2670 and shall be included in the DO's accountability on DD Form 2657 as a Reimbursement on line 4.1E and as an increase to U.S. Currency on Hand on line 6.2A. Payroll adjustment transactions shall be processed as prescribed in paragraph 260803 below.

★260802. Withdrawals from the ATM at Sea System Accounts. Normally, withdrawals from the individual ATM at Sea system accounts shall be accomplished through the ATMs by the account holders using their ATM card and PIN. All withdrawals from the ATM accounts, whether by account holders through the ATMs or through the disbursing office (including adjustments), shall be disbursed from Suspense, Navy 17X6875.ATMS. Except as prescribed below for certain ATM account adjustments, disbursements from the ATM account shall be vouchered using SF 1034. An SF 1034 shall be prepared after every end-of-session for the ATM at Sea system to voucher all withdrawals from the ATM accounts and the concurrent decrease to the ATM at Sea Suspense account since the previous end-of-session. When Point-of-Sale (POS) terminals are added in the ship's stores and post offices, the DO shall include these ATM account withdrawal transactions on the SF 1034. The DO shall coordinate the running of the end-of-session with the post office and ship's store so that all parties shall be on the same balancing and fiscal schedules. The vouchers shall also include an explanation of the purpose of the voucher (e.g., ATM Withdrawals, ATM #___; or ATM Withdrawals, Ship's Store). The SF 1034 shall be

recorded in the DD Form 2670 and shall be included in the DO's accountability on DD Form 2657 as a Gross Disbursement on line 4.1A and a decrease to U.S. Currency on Hand on line 6.2A.

A. Terminal 99 Withdrawal Transactions for the ATM at Sea System. Terminal 99 withdrawals shall be used only when the account holder cannot use the ATM to make the withdrawal. Situations which require withdrawals through Terminal 99 include mechanical difficulties with the ATM; an account holder closing an ATM account (such as when transfer, separation, or discharge is imminent); and a withdrawal when an account balance is less than \$5. The agent (deputy, agent, or cashier) appointed to perform Terminal 99 withdrawals should be assigned password security level 2 access in order to complete the entire transaction without assistance from the DO or deputy. The agent shall maintain DD Form 2671 (figure 26-4) as prescribed in the preceding paragraph. To perform a Terminal 99 withdrawal, the appointed agent enters the withdrawal on Terminal 99, obtains the account holder's signature on DD Form 2671, and dispenses the cash and a journal receipt of the transaction to the account holder. At the DO's option, Terminal 99 withdrawals may be authorized when an account holder's balance is less than \$5.00 but the account holder is not closing the account, transferring, separating, or being discharged. The DO shall establish the policy of whether account holder's will be permitted to withdraw remaining funds, of less than \$5.00, after they have withdrawn the maximum permissible from the ATMs. If the DO authorizes this function, specific hours of operation shall be established when the appointed agent will be available to provide the service. **Note:** This local DO policy shall not apply to account holder's who are closing their accounts due to transfer, separation, or discharge. All Terminal 99 withdrawals shall appear on the end-of-session reports. An SF 1034 shall be prepared to voucher the total Terminal 99 withdrawals after every end-of-session. The SF 1034 shall include an explanation of the purpose of the voucher (e.g., Terminal 99 Withdrawals). The SF 1034 shall be recorded in the DD Form 2670 and shall be included in the DO's DD Form 2657 as a Gross Disbursement on line 4.1A and a decrease to U.S. Currency on Hand on line 6.2A.

★260803. ATM at Sea Account Adjustments. The ATM at Sea system allows account balances and pending payroll amounts to be adjusted. While deposits and withdrawals require the presence of the account holder (the evidence of which is the entry of the PIN in the ATM or personal visit of the account holder to the disbursing office for a Terminal 99 transaction), adjustments do not require the account holder to be present. Therefore, the adjustment function shall be limited to the highest system access of password security. Adjustments shall be used judiciously and shall never be used when a deposit (Terminal 99) or withdrawal (ATM or Terminal 99) transaction will serve the same purpose. When the DO must remove money from an account without the account holder's presence, a negative adjustment shall be used. Situations which require a negative adjustment transaction are explained in the following subparagraphs.

A. Payroll Transfer Error. In cases where it is discovered during the payroll transfer verification that an ATM at Sea account was credited with more money than the payee was due, the DO shall process a negative adjustment to correct the error. In this type of situation, where the account holder is NOT to receive the money, an SF 1080 shall be prepared and processed as a disbursement and a collection voucher to document the negative adjustment, charge the ATM at Sea suspense account, and credit the funds back to the Military Pay, Navy appropriation. A corresponding adjustment to the MMPA shall also be processed. The SF 1080 shall include an explanation of the purpose of the adjustment (e.g., negative adjustment to correct payroll transfer error.). The SF 1080 shall be recorded in the DD Form 2670 and shall be included in the DO's DD Form 2657 as a Gross Disbursement on line 4.1A, as a Refund on line 4.1B.

B. Debt Collection. Various debts of account holders may also be collected through the account adjustment process. Collection of debts through this process shall only be accomplished when specifically requested by the account holder. Examples of voluntary collection through account adjustment are: (1) overpayment of travel entitlement or overadvance of travel funds where the member has requested to refund or liquidate the indebtedness from funds available in his or her ATM account; and (2) the

DO has received an SF 5515 from the depository for a dishonored check and the member has requested to make restitution from funds available in his or her ATM account. In the first example, an SF 1080 shall be prepared to process the adjustment as a disbursement and a collection because the amount of the adjustment must be charged to (disbursed from) the ATM at Sea suspense account and credited (collected) to the travel appropriation. The SF 1080 shall contain an explanation of the transaction (e.g., negative adjustment to collect delinquent travel overadvance) and shall be recorded in the DD Form 2670. The SF 1080 shall be included in the DO's DD Form 2657 as a Gross Disbursement on line 4.1A, as a Refund on line 4.1B. In the second example, an SF 1034 shall be prepared to process the adjustment as a charge to (disbursement from) the ATM at Sea suspense account. The cash withdrawal from the ATM account is used to offset the receivable for the dishonored check held by the DO. The SF 1034 shall include an explanation of the transaction (e.g., negative adjustment to collect dishonored check) and shall be recorded in the DD Form 2670 and included in the DO's DD Form 2657 as a Gross Disbursement on line 4.1A and as a decrease to Dishonored Checks Receivable on line 7.4.

C. Refunds to Account Holders.

Under certain circumstances, such as when an account holder is on temporary duty and is reassigned to a new duty station without return to the ship, it will be necessary for the DO to process a negative adjustment to close the ATM at Sea account and refund the account balance to the account holder. The SF 1049 shall be used to charge the ATM at Sea suspense account and a Treasury check shall be issued payable to the account holder for the amount of the adjustment. The SF 1049 shall cite the check number and an explanation of the reason for the adjustment (e.g., negative adjustment to close ATM account and forward balance to member - Transferred (date)). The SF 1049 shall be recorded in the DD Form 2670 and shall be included in the DO's DD Form 2657 as a Check Issue on line 2.1A and as a Gross Disbursement on line 4.1A.

★260804. Accounting Data for the ATM at Sea Suspense Account. The accounting data shown in table 26-2 shall be cited on all vouchers processed to record deposits (collections) and with-

drawals (disbursements) to the ATM at Sea suspense account.

★2609 VOUCHERING ATM TRANSACTIONS AT LAND INSTALLATIONS

Withdrawals from the individual ATM system accounts at land installations shall be accomplished through the ATMs by the account holders using their ATM card. All withdrawals from the ATM accounts shall be disbursed from the appropriate military pay appropriation which supports payment to the members involved. At the end of each business day, the end-of-day balancing reports generated as prescribed in paragraph 260704 above shall be used as the supporting payroll listing. A covering DD Form 117 shall be prepared for the amount of the payroll (amount withdrawn from the ATM system) and processed in the same manner as any other cash payroll. The DD Form 117 shall be included in the DO's accountability on DD Form 2657 as a Gross Disbursement on line 4.1A and a decrease to U.S. Currency on Hand on line 6.2A.

★2610 REQUIRED MANAGEMENT AND CONTROL REPORTS FOR THE ATM AT SEA SYSTEM

261001. Master File Report. The Master File Report lists each account holder, current balance, and other information on ATM transactions. The report shows this information as of the time it is extracted and can be used to reconstruct accounts if necessary. The report can be extracted in several formats (e.g., by account number, account name, or card number) and can also be tailored to print specific accounts (e.g., active, on hold (suspended), closed, pending payroll, or dormant). While the Master File Report can be extracted periodically, the entire report (listing all accounts) shall be run every day. Once a new report is obtained, the previous report may be discarded. At least once each month, the DO shall extract a list of all closed and dormant accounts for audit. Closed accounts shall not be deleted from the system for 30 days. After 30 days, if no funds are in these closed accounts, they shall be deleted from the system. If funds are still in these accounts after 30 days, adjustment action shall be taken to refund the balance of the account to the account holder or credit the funds to the account holder's MMPA, as appro-

prate. The word "DORMANT" will appear on the Master File Report when there has been no activity in the account for 60 days or more. Dormant accounts must be screened carefully for possible errors.

261002. Daily Activity Report. The Daily Activity Report shows all daily menu selections that each appointed agent has performed on Terminal 99 since the last end-of-session. The report specifies the date, time, operator's initials, and menu item number for each function performed on the terminal. The DO shall generate this report daily and shall review the report to ensure that only specifically authorized functions are being performed by the agents. The report shall be retained one week or until the DO is satisfied that the appointed agents are performing only their authorized functions.

261003. Customer File Maintenance Report. The Customer File Maintenance Report lists all deposits, withdrawals, and account adjustments recorded on an account holder's account from the disbursing office terminal. The report includes the: account holder's name and account number; initials of the agent who performed the transaction; type of transaction; amount of funds involved in the transaction, if any; and, transaction date, time, and sequence number. The DO shall generate and review this report daily in conjunction with the Daily Activity Report. The Customer File Maintenance Report shall be retained for one year.

261004. Account Statements for the ATM. Statements are produced for each account holder and show all ATM transactions since the previous statement. These account statements shall be printed and distributed monthly to each ATM account holder. The statements can be printed by division, individual account, or for an individual account holder requiring a prior month's statement. Computer memory in the ATM system is limited. Moving old statement data records to backup tape frees additional space for system processing use. The DO shall backup the statements data files to tape every six months. The backup tapes shall be stored for a period of two years; then the oldest tape may be destroyed.

★2611 MANUAL MAINTENANCE OF ATM ACCOUNTS FOR THE ATM AT SEA SYSTEM

If for some reason it becomes necessary to maintain the ATM accounts manually, such as a possible ATM CPU failure, the Master File Report and the latest audit tapes would be used to ascertain the current account balances. The first step is to compare the journal tapes with the previous Master File Report to determine what transactions have occurred since the last Master File Report was run. Next, manually adjust the account balances of the individuals concerned. Finally, prepare vouchers covering all transactions that have occurred since the previous end-of-session for the ATM at Sea system. Should prolonged system failure be anticipated requiring accounts to be maintained manually, no further deposits shall be allowed while the system is down. When an account holder desires to make a withdrawal, that account holder must withdraw the entire balance of the account. The account holder's signature shall be obtained acknowledging receipt of the funds using DD Form 2673, Record of ATM System Manual Withdrawals (figure 26-5). The DO shall voucher (using SF 1034) and record the withdrawals daily and attach a copy of the DD Form 2673 to the retained copy of the voucher. When the system is returned to operational status, adjust the balances to reflect the withdrawals made while in the manual mode but do not prepare any further documentation. Immediately print a Master File Report and verify manual adjustments. The difference must be equal to the total of all manual withdrawals vouchered while the system was down.

ATM AT SEA SECURITY LEVELS AND FUNCTIONS	
LEVEL	FUNCTIONS PERMITTED
1	All functions are permitted. Only one person can be assigned to this level.
2	All functions are permitted <u>except</u> the following: Payroll/Balance Adjustments (Menu item #8) File Maintenance (Menu item #14) Backup and Recovery (Menu item #15)
3	Only the following functions are permitted: Account Inquiry (Menu item #4) Customer Search/Assistance (Menu item #5) UMIDS/SJUMPS Payroll (Menu item #9) Manual Payroll (Menu item #10) Reports (Menu item #11) Statements (Menu item #12)
4	Only the following functions are permitted: Open/Establish Accounts (Menu item #1) Change Account (Menu item #2) Close Account (Menu item #3) Account Inquiry (Menu item #4) Customer Search/Assistance (Menu item #5) Reports (Menu item #11)
5	Only the following functions are permitted: Account Inquiry (Menu item #4) Customer Search/Assistance (Menu item #5) Reports (Menu item #11)
6	This level is used only for social security/account number verification.

Table 26-1. ATM at Sea Password Security Levels

Appropriation Symbol and Subhead	17X6875.ATMS
Object Class	0000
Bureau Control and Suballotment No.	80001 0
Authorization Accounting Activity (the UIC of your FIPC)	(i.e. 060957)
Type Code	
Deposits	3C
Withdrawals	2D
Property Accounting Activity	000000
Cost Code (00, your UIC and Functional Account No. 98004)	(i.e. 000036098004)

Table 26-2. Accounting Data for ATM at Sea Transactions

(USE APPROPRIATE LETTERHEAD)

April 7, 19XX

From: Disbursing Officer, USS UNDERWAY (CGN-210)
 To: Director, Defense Accounting Office, Financial Information Processing
 Center, (San Diego, CA or Norfolk, VA (as appropriate))

Subj: Quarterly Suspense Account Report for DSSN 5130

Ref: (a) DoD Financial Management Regulation, Volume 5

1. Subject report forwarded as required by reference (a).

a. 17X6875.ATMS

b. Beginning balance: Dec. 31, 19XX \$ 5,460.00

c. Collections: (Deposits)

January	\$50,000.00
February	\$50,000.00
March	\$50,000.00

Total \$150,000.00

d. Disbursements: (Withdrawals)

January	\$45,000.00
February	\$45,000.00
March	\$45,000.00

Total \$135,000.00

e. Ending balance: Mar. 31, 19XX \$ 20,460.00

2. I certify that the balance reported herein is in agreement with the ATM Ledger maintained as prescribed by chapter 26 of reference (a).

W. Freeman
 ENS, SC, USNR

Figure 26-2. Sample Format for Quarterly ATM Suspense Account Report

ATM CASH BALANCE SHEET		1. ACTIVITY USS UNDERWAY (CGN-210)	
		2. DATE 13 JAN XX	3. ATM NO. 1
	BILLS	CASH	
4. CASH TO START			
a. \$20 BILLS	900		18,000.00
b. \$5 BILLS	400		2,000.00
c. TOTAL (4a + 4b)	1,300		20,000.00
5. CASH ADDED TO ATM			
a. \$20 BILLS			
b. \$5 BILLS			
c. TOTAL (5a + 5b)	0		0.00
6. GRAND TOTAL (4c + 5c)	1,300		20,000.00
7. CASH REMAINING IN ATM			
a. \$20 BILLS	139		2,780.00
b. \$5 BILLS	40		200.00
c. TOTAL (7a + 7b)	179		2,980.00
8. REJECTS (Cash in reject tray)			
a. \$20 BILLS	1		20.00
b. \$5 BILLS	2		10.00
c. TOTAL (8a + 8b)	3		30.00
9. TOTAL CASH REMAINING (7c + 8c)			3,010.00
10. TOTAL CASH DISPENSED (6 - 9)			16,990.00
11. REPORTED CASH DISPENSED			16,990.00
12. DIFFERENCE (+/- 10,11)			0.00
13. REMARKS			

DD Form 2672, AUG 93

Figure 26-3. Sample DD Form 2672, ATM Cash Balance Sheet

RECORD OF ATM SYSTEM MANUAL WITHDRAWALS			1. DATE January 15, 19XX	2. PAGE NO. 1
3. NAME	4. SOCIAL SECURITY NUMBER	5. AMOUNT	6. SIGNATURE	
W. FREEMAN	123-45-6789	500.00		
J. KOVACH	234-56-7890	500.00		
M. BRITT	345-67-8901	500.00		
M. JESSE	456-78-9012	500.00		
J. YOUNGS	567-89-0123	500.00		
B. COLE	678-90-1234	500.00		
TOTAL PAGE		3,000.00		

DD Form 2673, AUG 93

Figure 26-5. Sample DD Form 2673, Record of ATM System Manual Withdrawals